



NEWS RELEASE

DEFENSE FINANCE AND ACCOUNTING SERVICE

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For External Release

DFAS Clarifies Retro Civilian Pay Raise Implementation

ARLINGTON, Va. (Jan. 28) -- The additional 2.1 percent pay raise for civilian employees authorized by the President on Jan. 23, 2004, will be retroactive to Jan. 11. However, before it can take effect, an Executive Order must be issued addressing how the increase will be split between base and locality pay.

After the Executive Order is issued, the Office of Personnel Management will publish new salary tables based on that guidance. These tables must then be integrated into the personnel system before any retroactive pay adjustment processing can begin. Once the adjustments are processed by the personnel system, calculation of employee pay increases by payroll systems can begin.

As in 2003, not all employees will receive the retroactive part of the pay increase at the same time. Due to transaction volume, payroll processing of this change must take place over the course of multiple paydays. The specific dates when employees can expect to receive the retroactive portion of the pay increase will be published as soon as they are available.

About DFAS

The Defense Finance and Accounting Service is the world's largest finance and accounting operation. It provides responsive, professional finance and accounting services to the men and women who defend America. In Fiscal Year 2003, DFAS paid about 5.9 million people, processed more than 12.3 million invoices from defense contractors, disbursed more than \$416 billion and managed more than \$197.4 billion in military trust funds. For more about DFAS visit <http://www.dfas.mil>.

(Note: For Media Only - for questions call Roger Still or Carol A. García at 303-676-7741).

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